

What's at Stake for North Carolina?

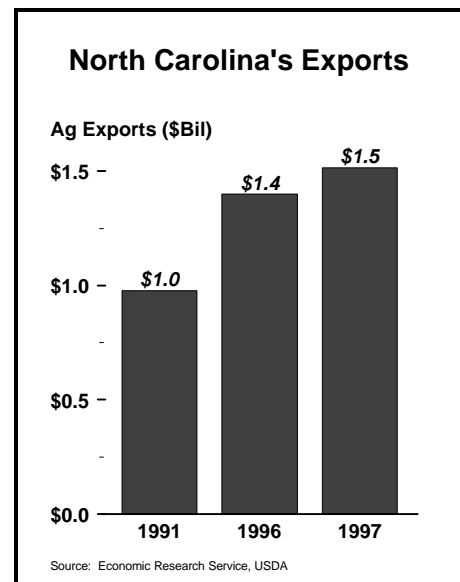
North Carolina is an important producer of agricultural products and a large exporter. In 1997, it ranked 12th among all 50 states in the value of its agricultural exports. The state's exports reached an estimated \$1.5 billion, up from \$977 million in 1991. These exports help boost farm prices and income, while supporting about 25,800 jobs both on the farm and off the farm in food processing, transportation and manufacturing. Exports are important to North Carolina's agricultural and state-wide economy. Measured as exports divided by farm cash receipts, the state's reliance on agricultural exports held steady at 18-19% since 1993.

The top five agricultural exports in 1997 were:

- # tobacco leaf -- \$599 million
- # poultry and products -- \$327 million
- # soybeans and products -- \$135 million
- # cotton -- \$128 million
- # live animals and red meats -- \$117 million

World demand for these products is increasing, but so is competition among suppliers. If North Carolina's farmers, ranchers, and food processors are to compete successfully for the export opportunities of the 21st century, they need *fair trade* and *fair access* to growing global markets.

North Carolina Producers Benefit from Trade Agreements



North Carolina is already benefitting from a number of agricultural trade agreements. While there is still much to be done, examples of new market opportunities for North Carolina include:

- # North Carolina, the nation's 4th largest poultry producer, should benefit under the Uruguay Round as South Korea grants unlimited access for frozen chicken at a 20% tariff by 2004. Poland opened market access equal to 8.5% of domestic consumption. The Philippines opened a tariff-rate quota for 14,000 tons of chicken, which will reach 23,500 tons by 2004. Under NAFTA, Mexico established a tariff-rate quota for chilled and frozen poultry that will be phased out by 2004.
- # The nation's 2nd largest pork producer, North Carolina benefits under the Uruguay Round as EU export subsidies for pork are cut 21% (volume) by 2000. Korea eliminated all volume restrictions for frozen pork, and the 33% tariff will fall to 25% by 2004. Japan is reducing its minimum import price for pork 29% by 2000. Under NAFTA, Canada's and Mexico's duty-free treatment for pork helps U.S. exporters increase market presence.
- # North Carolina, the nation's largest tobacco producer, benefits under the Uruguay Round as Argentina, Brazil, Turkey and others will reduce import duties on tobacco and products.